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CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 680

**Introduced by Assembly ~~Member Steinberg~~ *Members Steinberg
and Thomson***
(Coauthor: Assembly Member Kehoe)

February 22, 2001

An act to add Article 10 (commencing with Section 65500) to Chapter 3 of Division 1 of Title 7 of the Government Code, and to add Chapter 1.5 (commencing with Section 7215) to Part 1.5 of Division 2 of the Revenue and Taxation Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

AB 680, as amended, Steinberg. Land use: sales tax and property tax revenue allocation.

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes a county to impose a local sales and use tax at a rate of 1.25%, and similarly authorizes a city, located within a county imposing such a tax rate, to impose a local sales tax rate of 1% that is credited against the county rate. Existing law requires a city, county, or city and county

imposing a local sales and use tax pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law to contract with the State Board of Equalization to administer the local sales and use tax. Existing law also requires the board, at least twice during each calendar quarter, to transmit local sales and use tax revenue to the city, county, or city and county in which the revenue was collected.

This bill would, pursuant to specified definitions and procedures, require the board to distribute sales tax revenue, derived from the application of a 1% tax rate by a qualified or electing county or city in the greater Sacramento region, among those same counties and cities on the basis of (1) the amount of sales tax revenue that those counties and cities received in the 2002 calendar year, and (2) the relative populations of those counties and cities, as determined by the board and the population research unit of the Department of Finance. ~~This~~ *The* bill would provide that up to $\frac{1}{3}$ of the sales tax revenue growth be shifted away from those counties and cities in the region that fail to become housing eligible, as defined, and require those revenues to instead be allocated to the Sacramento Area Council of Governments (SACOG) for the funding of regional ~~products~~ *projects, as defined*. ~~This~~ *The* bill would also establish the Sacramento Regional Smart Growth Fund Allocation Program to provide funding incentives for responsible regional growth policies, as specified. By imposing allocation duties upon SACOG, this bill would create a state-mandated local program.

~~Existing law, until January 1, 2005, prohibits a city or county from providing financial assistance to an automobile dealership or big box retailer, or to a business entity that sells or leases land to an automobile dealership or big box retailer that is relocating from the territorial jurisdiction of one city or county to the territorial jurisdiction of another city or county, but within the same market area, unless the receiving city or county offers the other city or county a contract that apportions sales tax generated by the dealership or retailer between the 2 cities or counties, as specified, and the city or county holds a public hearing and adopts a resolution making specified findings relating to whether or not a contract has been approved.~~

~~This bill would provide that any contracts executed pursuant to these provisions prior to the effective date of the bill would remain in effect as provided in the contract. This bill would also provide that, on and after the operative date of the bill, these provisions requiring contracts to share sales tax revenue do not apply to counties and cities in the greater Sacramento region.~~



This bill would also state the intent of the Legislature to create the Sacramento Regional Open Space and Recreation Conservancy to acquire open-space land.

This bill would make legislative findings and declarations as to the necessity of a special statute, and as to the public purposes served by this bill.

This bill also would require the Legislative Analyst's office, in conjunction with the State Board of Equalization, to report to the Legislature regarding the impact of the bill, as specified, in the greater Sacramento region.

This bill would also provide that its operation be postponed, as specified, if a statute is enacted in *any year from 2002 to 2010* that decreases the amount of certain revenues that would have been received by cities and counties in the greater Sacramento region under the law in effect on January 1, 2002. This bill would also provide that its provisions become inoperative on the operative date of a revenue-sharing agreement, as specified, between all of the cities and counties in the greater Sacramento region.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Article 10 (commencing with Section 65500) is
- 2 added to Chapter 3 of Division 1 of Title 7 of the Government
- 3 Code, to read:
- 4

1 Article 10. Sacramento Regional Smart Growth Act of 2002

2
3 65500. For purposes of this article, the following definitions
4 apply:

5 (a) “Greater Sacramento region” means the region
6 encompassing the total combined area of the County of El Dorado,
7 the County of Placer, the County of Sacramento, the County of
8 Sutter, the County of Yolo, and the County of Yuba, but does not
9 include the ~~City of South Lake Tahoe region, as defined in~~
10 *subsection (a) of Article II of Public Law 96-551, governed by the*
11 *Tahoe Regional Planning Agency, as described in Article III of*
12 *Public Law 96-551.*

13 (b) “Regional project” includes, but is not limited to, the
14 following:

15 (1) Regional transportation projects.

16 (2) Transit-oriented development.

17 (3) Infill development.

18 (4) Development to provide a balance between jobs and
19 housing.

20 (5) Mixed use development.

21 (6) Quality of life projects, including, but not limited to, theater
22 and the arts.

23 (7) Open-space acquisition.

24 (8) Other regional land use projects as determined to be
25 necessary by the Sacramento Area Council of Governments.

26 65501. Those moneys apportioned to the Sacramento Area
27 Council of Governments pursuant to subparagraph (C) of
28 paragraph (2) of subdivision (b) of Section 7215.1 of the Revenue
29 and Taxation Code shall be allocated among qualified cities and
30 qualified counties, as defined in Section 7215.1 of the Revenue
31 and Taxation Code, to fund regional projects, as defined in Section
32 65500.

33 65502. (a) It is the intent of the Legislature to enact a program
34 to establish the Greater Sacramento Regional Open Space *and*
35 Recreation Conservancy for the purpose of acquiring open-space
36 land, as defined in Section 65560.

37 (b) It is the further intent of the Legislature that the Greater
38 Sacramento Regional Open Space *and* Recreation Conservancy be
39 funded with revenue from the following sources:

(1) Upon an appropriation by the Legislature, revenue derived from bonds issued pursuant to Chapter 875 of the Statutes of 2001.

(2) Regional impact fees, as described in subdivision (c).

(c) It is the further intent of the Legislature to enact a program by which regional impact fees are imposed upon developers of residential and commercial development in the greater Sacramento region, except residential infill developments and residential housing developments for persons of low and moderate income. The amount of these fees may not exceed the benefits derived by the developers upon which the fees are imposed, and shall be based upon the following considerations:

(1) The proximity of the development to urban population centers.

(2) The proximity of the development to various types of farmland, including, but not limited to, prime farmland, farmland of statewide significance, unique farmland, farmland of local importance, or other categories of farmland as defined by the Farmland Conservancy Program as administered by the Department of Conservation.

(3) Existing development fees that are imposed by local governments in the greater Sacramento region that have the same fundamental purpose as the fees contemplated by this section. In the case of a local fee so imposed, those fees shall offset the fees contemplated by this section by up to two-thirds, but in no event shall a developer pay less than one-third of the regional impact fee contemplated by this section.

(4) The complexity of existing development fee structures in the greater Sacramento region.

SEC. 2. Chapter 1.5 (commencing with Section 7215) is added to Part 1.5 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 1.5. GREATER SACRAMENTO REGION PER CAPITA
REVENUE ALLOCATIONS

7215. The Legislature hereby finds and declares all of the following:

(a) The situs-based allocation of local sales tax revenue has caused serious fiscal problems and public service inefficiencies, as well as a fiscalization of governmental land use decisions that

1 focuses upon maximizing sales and use tax revenue from retail
2 establishments, rather than upon land use needs in the community.

3 (b) Among other things, the situs-based allocation of local sales
4 tax revenue has led to unhealthy competition among local
5 jurisdictions for retail development, and to local government
6 revenue streams that do not correspond to the level of public
7 services supported by those revenue streams.

8 (c) The adverse results of the situs-based allocation of local
9 sales tax revenue has impacted each county and city imposing a
10 sales tax, and has not been remedied by either existing law or by
11 local actions or agreements. Instead, existing law and the
12 dynamics of local government finance have maintained or even
13 exacerbated the adverse fiscal, governmental, and public service
14 consequences of a situs-based allocation of local sales tax revenue.

15 (d) The greater Sacramento region provides a unique and
16 instructive perspective on the issue of local sales tax revenue
17 allocation, inasmuch as the greater Sacramento region continues
18 to be subject to both extremely rapid development and new
19 incorporations of jurisdictions with authority, under current law,
20 to impose a local sales tax. These dynamics establish the greater
21 Sacramento region as a region that is uniquely suited for the trial
22 and implementation of a proposed regional local sales tax revenue
23 allocation program aimed at eliminating the adverse fiscal,
24 political, and public service consequences of the situs-based
25 allocation of local sales tax revenue.

26 (e) It is the intent of the Legislature, in enacting this act, to
27 implement a pilot program of local sales tax allocation in the
28 unique circumstances currently presented by the greater
29 Sacramento region, that will allow state and local governments to
30 jointly establish, test, and refine an alternative system of local sales
31 tax revenue allocation. It is the further intent of the Legislature that
32 this pilot program not be implemented statewide until after the
33 report described in Section 3 of the act adding this section is
34 submitted to the Legislature.

35 7215.1. Notwithstanding any other provision of this part, all
36 of the following apply:

37 (a) The board shall segregate into a separate account that
38 amount of sales tax revenue, net of refunds, that is collected
39 pursuant to this part in the greater Sacramento region as a result of
40 the application of a 1 percent sales tax rate imposed pursuant to this

1 part by either a qualified county or a qualified city, or by a county
2 or city making an election under subdivision ~~(f)~~ (e).

3 (b) For the first calendar quarter of 2004 and each calendar
4 quarter thereafter, the board shall apportion the revenue
5 segregated pursuant to subdivision (a) as follows:

6 (1) Each qualified county or qualified city shall be apportioned
7 its base quarter revenue amount.

8 (2) The remaining revenues segregated pursuant to subdivision
9 (a) shall be allocated as follows:

10 (A) One-third of the revenues shall be apportioned, in two or
11 more installments, among qualified counties and qualified cities
12 in the manner required by Section 7204.

13 (B) One-third of the revenues shall be apportioned, in two or
14 more installments, among qualified counties and qualified cities
15 in shares determined by multiplying that portion of the revenues
16 by the most recent jurisdictional share determined for each
17 ~~qualifying county and qualifying city pursuant to Section 7215.2.~~
18 *qualified county and qualified city pursuant to Section 7215.2.*

19 (C) One-third of the revenues shall also be apportioned in
20 shares determined in the same manner as required by subparagraph
21 (A), except that any share that is so calculated with respect to a
22 qualified county or qualified city that is not housing eligible for
23 that calendar year shall instead be apportioned to the Sacramento
24 Area Council of Governments for apportionment as provided in
25 Section 65501 of the Government Code.

26 (c) For purposes of this chapter, all of the following apply:

27 (1) “Base quarter revenue amount” means an amount of sales
28 tax revenue that is equal to the amount of sales tax revenue ~~for each~~
29 ~~jurisdiction~~ that a qualified county or qualified city in the greater
30 Sacramento region received in the corresponding calendar quarter
31 in the year 2003, except that for newly incorporated cities the
32 “base quarter revenue amount” is the corresponding calendar
33 quarter in the year prior to incorporation.

34 (2) “Greater Sacramento region” means the region
35 encompassing the total combined area of the County of El Dorado,
36 the County of Placer, the County of Sacramento, the County of
37 Sutter, the County of Yolo, and the County of Yuba, but does not
38 include the ~~City of South Lake Tahoe~~ *region, as defined in*
39 *subsection (a) of Article II of Public Law 96-551, governed by the*

1 *Tahoe Regional Planning Agency, as described in Article III of*
2 *Public Law 96-551.*

3 (3) “Qualified city” means a city in the greater Sacramento
4 region that imposes a sales tax pursuant to this part, that has a
5 population growth rate of more than one-half of one percent, and
6 that has not met the requirements of Section 7215.3, ~~but does not~~
7 ~~include the City of South Lake Tahoe.~~

8 (4) “Qualified county” means a county in the greater
9 Sacramento region that imposes a sales tax pursuant to this part,
10 that has a population growth rate of more than one-half of one
11 percent, and that has not met the requirements of Section 7215.3.

12 (5) A “qualified city” or “qualified county” is “housing
13 eligible” for a calendar year if the city or county meets all of the
14 following criteria:

15 (A) The governing body of the city or county has done either
16 of the following:

17 (i) Caused to be issued residential building permits for new
18 construction in the jurisdiction that, by regulatory agreement
19 recorded against the property, is affordable to, and occupied by,
20 low or very low income households (as defined annually for the
21 region by the United States Department of Housing and Urban
22 Development), at least one-half of which shall be affordable to
23 very low income households, or the jurisdiction has caused to be
24 issued permits for substantial rehabilitation (over seven thousand
25 five hundred dollars (\$7,500) per unit construction contract value)
26 of existing residential units that are, by regulatory agreement
27 affordable to, and occupied by, low-income and very low income
28 households, that in the aggregate are equal to 5 percent or more of
29 their building permits for residential units built within the last year,
30 or averaging 5 percent over a three-year period.

31 (ii) Adopted a mixed-income housing ordinance that assures
32 construction of units affordable to a minimum of 5 percent very
33 ~~low and 5 percent low-income households (total minimum of 10~~
34 ~~percent) in any new residential development of more than 10 units.~~
35 *low and 5 percent low-income households, for a total minimum of*
36 *10 percent, in any new residential development of more than 10*
37 *units.*

38 (iii) A qualified city or a qualified county with a population of
39 15,000 people or less, is exempt from the requirements of this
40 subparagraph.

(B) The city or county provides domestic violence shelters and shelter or year-round services for the homeless population in the city or county, as determined on the basis of the minimum of 15 percent of the nationally recognized Urban Institute homeless population estimation formula (1 percent of the population within a given jurisdiction). A qualified city or qualified county with a population of 15,000 people or less is exempt from the requirements of this subparagraph.

(C) The city or county filed an inventory of potential infill development or open-space acquisition sites in its jurisdiction, and an action plan for proceeding on those opportunities, in the form and manner approved by the Sacramento Area Council of Government Board of Directors. In each year thereafter, the Board of Directors of the Sacramento Area Council of Government shall certify both the receipt of the action plan, and that the city or county has made substantial progress toward meeting the action plan.

~~(6) “Smart growth principles” include, but are not limited to, programs designed to end the fiscalization of land use, including regional equity in tax income; the provision of social services; enhancing open space and agricultural land acquisition; transit oriented development; and infill development.~~

~~(d) Any agreement executed pursuant to Section 53084 of the Government Code prior to the operation of this act shall be operative as specified in the agreement. However, on and after the operative date of this act, Section 53084 of the Government Code does not apply to any qualified city or qualified county in the greater Sacramento region.~~

~~(e)–~~

(d) A city or county in the greater Sacramento region, that imposes a sales tax pursuant to this part but is not a qualified city or a qualified county, shall be allocated sales tax revenue as otherwise required by this part in the absence of this section.

~~(f)–~~

(e) Notwithstanding any other provision of this section, a city or a county in the greater Sacramento region that imposes a sales tax pursuant to this part and that has a population growth rate of less than one-half of 1 percent may elect, by a resolution enacted by a majority of its governing body, to participate in the allocation of sales tax revenue according to this section.

1 7215.2. (a) No later than March 1 of 2004 and each year
2 thereafter, and within 30 days of determining new population
3 estimates pursuant to subparagraph (B) of paragraph (2) of
4 subdivision (c), the board shall calculate the jurisdictional shares,
5 determined pursuant to subdivision (b), for those counties and
6 cities imposing a sales tax pursuant to this part in the greater
7 Sacramento region.

8 (b) The board shall, for each county or city imposing a sales tax
9 pursuant to this part in the greater Sacramento region, determine
10 a jurisdictional share in accordance with the following formula:

11 (1) Determine the total population of the greater Sacramento
12 region.

13 (2) Determine the total population of the relevant county or
14 city. In the case of a county, total population means the total
15 population of only the unincorporated area of that county.

16 (3) Divide the amount determined pursuant to paragraph (2) by
17 the amount determined pursuant to paragraph (1).

18 (c) (1) Except as otherwise provided in paragraph (2), the
19 population determinations described in subdivision (b) shall be
20 made upon the basis of annual population estimates that are made
21 by the population research unit in the Department of Finance for
22 purposes of this section, and are transmitted to the board not later
23 than February 1 in each year.

24 (2) (A) For the 2003 calendar year, the population
25 determinations described in subdivision (b) shall be made on the
26 basis of the later of the following:

27 (i) The most recent population estimates for counties and cities
28 in the greater Sacramento region, as otherwise required or
29 authorized by law, that have been made by the population research
30 unit in the Department of Finance.

31 (ii) The most recent census validated by the population
32 research unit in the Department of Finance.

33 (B) The population research unit in the Department of Finance
34 shall newly estimate the population of the affected city, and any
35 other affected city or county in the greater Sacramento region, and
36 provide those new estimates to the board within 30 days after any
37 of the following occur:

38 (i) A newly incorporated city in the greater Sacramento region
39 imposes a sales tax pursuant to this part.

1 (ii) A city in the greater Sacramento region that imposes a sales
2 tax pursuant to this part completes the annexation of additional
3 territory.

4 (iii) A consolidation of one city in the greater Sacramento
5 region with another city in that region results in a consolidated city
6 that imposes a sales tax pursuant to this part.

7 7215.3. A county in the greater Sacramento region, as defined
8 in Section 7215.1, is not a qualified county for purposes of that
9 section if all of the following conditions are met:

10 (a) That county meets the requirements set forth in
11 subparagraph (B) of paragraph (5) of subdivision (c) of Section
12 7215.1.

13 (b) That county enacts ordinances and substantially complies
14 with these ordinances requiring all of the following:

15 (1) That a fair share of the greater Sacramento region's
16 residential housing needs for persons of low and moderate income
17 will be located in that county.

18 (2) That all new residential and commercial development occur
19 within the existing boundaries of a city within that county.

20 (3) That for every acre of new residential and commercial
21 development in the county, one acre be set aside in that ~~city~~ county
22 as open-space land, as defined in Section 65560 of the Government
23 Code.

24 (c) The county and two or more of the cities in that county have
25 entered into a revenue sharing agreement, pursuant to Article 1
26 (commencing with Section 55700) of Chapter 5 of Part 2 of
27 Division 2 of Title 5 of the Government Code.

28 (d) For purposes of this section, "new" residential and
29 commercial development is development that occurs on or after
30 January 1, 2004.

31 (e) Notwithstanding any other provision of this section, a
32 qualified city, within a county that meets the criteria of
33 subdivisions (a) to (c), inclusive, may elect, by a resolution
34 enacted by a majority of its governing body, to participate in the
35 allocation of sales tax revenue pursuant to Section 7215.1.

36 SEC. 3. On or before January 1, 2010, the Legislative
37 Analyst's Office, in conjunction with the State Board of
38 Equalization shall report to the Legislature regarding the
39 reallocation of local sales tax revenue pursuant to this act. To the
40 extent possible, the Legislative Analyst's Office shall incorporate

1 comments from the Sacramento Area Council of Governments
2 regarding the impact of this act on affected local jurisdictions. The
3 report shall include, but not be limited to, the following:

4 (a) Estimates of the fiscal impact of this act on local
5 governments in the greater Sacramento region.

6 (b) To the extent that data are available, representative case
7 studies documenting whether land use decisions made by local
8 jurisdictions in the greater Sacramento region were affected by this
9 act.

10 (c) Recommendations regarding whether to continue the sales
11 tax allocation formulas specified in this act, and, if applicable,
12 suggestions for amending this act to better achieve the
13 Legislature's intent to promote smart growth land use policy.

14 (d) An analysis of the number of permits issued for low- and
15 very low income affordable housing, shelter and services for the
16 homeless, infill development projects, open-space acquisition,
17 and regional projects by local governments in the greater
18 Sacramento region.

19 SEC. 4. (a) It is the intent of the Legislature to enact in this
20 section a program to encourage cities and counties in the greater
21 Sacramento region, as described in this act, to participate in
22 responsible regional growth by rewarding, in accordance with
23 subdivision (b), those jurisdictions within the region that meet the
24 criteria set forth in paragraph (5) of subdivision (c) of Section
25 7215.1 of the Revenue and Taxation Code or that are exempt from
26 the requirements of that paragraph.

27 (b) The Sacramento Regional Smart Growth Fund Allocation
28 Program is hereby established, and shall be known and may be
29 cited as the CAPSMART Program. During the 2004 State
30 Transportation Improvement Program funding cycle, and every
31 two years thereafter, the Department of Transportation may
32 designate Interregional Transportation Improvement Program
33 funds as smart growth *principles* incentive funding for eligible
34 projects that support smart growth *principles and* strategies and
35 are identified as priority transportation spending projects by the
36 Sacramento Area Council of Governments. The Sacramento Area
37 Council of Governments shall review requests from individual
38 jurisdictions in a process to be developed by the Sacramento Area
39 Council of Governments using criteria developed by the
40 Department of Transportation, and to be implemented in



1 coordination with existing Sacramento Area Council of
2 Governments RTIP procedures. Allocations and decision
3 guidelines developed by the Sacramento Area Council of
4 Governments, in consultation with cities and counties, shall meet
5 California Transportation Commission Guidelines, and applicable
6 national and state requirements. The Sacramento Area Council of
7 Governments shall forward CAPSMART funding
8 recommendations to the Department of Transportation which shall
9 make those changes, additions, or deletions as it deems
10 appropriate, and then may include the projects in the state
11 discretionary portion of the State Transportation Improvement
12 Program.

13 (c) Any multicounty region in California that adopts regional
14 tax-sharing agreements or multicounty smart growth principles, as
15 defined in ~~Section 7215.1~~ *subdivision (d)*, shall be entitled to both
16 of the following:

17 (1) Beginning in the 2008–09 fiscal year and upon
18 appropriation by the Legislature, 1 percent of the funds allocated
19 to the Transportation Investment Fund pursuant to Assembly
20 Constitutional Amendment 4 of the 2001–02 Regular Session.

21 (2) Ten points awarded for applications to the State Department
22 of Housing and Community Development for the Jobs-Housing
23 Balance Program, the Cal Home Program, and the Multi-Family
24 Housing Assistance Program.

25 (d) *“Smart growth principles” include, but are not limited to,*
26 *programs designed to end the fiscalization of land use, including*
27 *programs that address regional equity in tax income; the provision*
28 *of social services; enhancing open-space and agricultural land*
29 *acquisition; transit oriented development; and infill development.*

30 SEC. 5. The Legislature finds and declares that a special law
31 is necessary and that a general law cannot be made applicable
32 within the meaning of Section 16 of Article IV of the California
33 Constitution because the unique fiscal, jurisdictional, and public
34 service dynamics in the greater Sacramento region provide a
35 unique opportunity to implement and refine possible solutions to
36 the fiscal, planning, and public service problems resulting from the
37 imposition of multiple local sales taxes.

38 SEC. 6. The Legislature finds and declares that requiring the
39 allocation of local sales tax revenue in the greater Sacramento
40 region on a per capita basis serves a *specific* public purpose of each

1 county or city imposing a sales tax in that region by reducing the
2 unhealthy competition that currently exists between these entities
3 for new retail establishments, helping to equate revenue streams
4 with public service requirements, and allowing land use decisions
5 to be made solely on the basis of land use planning considerations.

6 SEC. 7. Notwithstanding Section 17610 of the Government
7 Code, if the Commission on State Mandates determines that this
8 act contains costs mandated by the state, reimbursement to local
9 agencies and school districts for those costs shall be made pursuant
10 to Part 7 (commencing with Section 17500) of Division 4 of Title
11 2 of the Government Code. If the statewide cost of the claim for
12 reimbursement does not exceed one million dollars (\$1,000,000),
13 reimbursement shall be made from the State Mandates Claims
14 Fund.

15 SEC. 8. (a) This act shall not become operative if, during any
16 legislative session commencing with the 2001–02 Regular Session
17 to the 2009–10 Regular Session, inclusive, or any extraordinary
18 session that runs concurrently with those regular sessions, either
19 of the following occur:

20 (1) A bill is chaptered that decreases the amount of ad valorem
21 property tax revenue that otherwise would have been allocated to
22 a city or county within the greater Sacramento region, as defined
23 in Section 7215.1 of the Revenue and Taxation Code, under the
24 law in effect on January 1, 2002, for the purpose of increasing the
25 amount of ad valorem property tax revenue that is allocated to an
26 Educational Revenue Augmentation Fund.

27 (2) A bill is chaptered that decreases the amount of vehicle
28 license fee revenue that otherwise would have been received by a
29 city or a county within the greater Sacramento region, as defined
30 in Section 7215.1 of the Revenue and Taxation Code, under the
31 statutes in effect on January 1, 2002, or decreases the amount of
32 General Fund moneys that would have been received by a city or
33 county within the greater Sacramento region, as defined in Section
34 7215.1 of the Revenue and Taxation Code, under Section 11000
35 of the Revenue and Taxation Code as that section read on January
36 1, 2002.

37 (b) If this act fails to become operative as a result of subdivision
38 (a), this act shall become operative on the date that one or more
39 bills are chaptered that remove the applicable condition or

1 conditions described in subdivision (a) by doing the applicable of
2 the following:

3 (1) Increases the amount of ad valorem property tax revenue
4 otherwise allocated to a city or county within the greater
5 Sacramento region, as defined in Section 7215.1 of the Revenue
6 and Taxation Code, to the amount that would have been allocated
7 to that city or county under the statutes in effect on January 1, 2002.

8 (2) Increases the amount of vehicle license fee revenue
9 received by a city or a county within the greater Sacramento
10 region, as defined in Section 7215.1 of the Revenue and Taxation
11 Code, to that amount of vehicle license fee revenues that would
12 have been received by that city or county under the statutes in
13 effect on January 1, 2002; or increases the amount of General Fund
14 moneys received by a city or county under Section 11000 of the
15 Revenue and Taxation Code to that amount that would have been
16 received by those cities or counties under that section as it read on
17 January 1, 2002.

18 SEC. 9. This act shall become inoperative on the operative
19 date of a tax revenue-sharing agreement, entered into according to
20 state law, between all of the cities and all of the counties in the
21 greater Sacramento region, as defined in Section 7215.1 of the
22 Revenue and Taxation Code.

